PROJECT OVERSIGHT REPORT

Online Record of Clinical Activity Project (ORCA)   **Report as of Date:**
UW Academic Medical Center (UWAMC)   February 2005

Executive Sponsor: Tom Martin   **MOSTD Staff:** Andy Marcelia
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Severity/Risk Rating: High (Severity high, risk high)   **Oversight:** Level 3 – ISB

Overall Project Risk Assessment
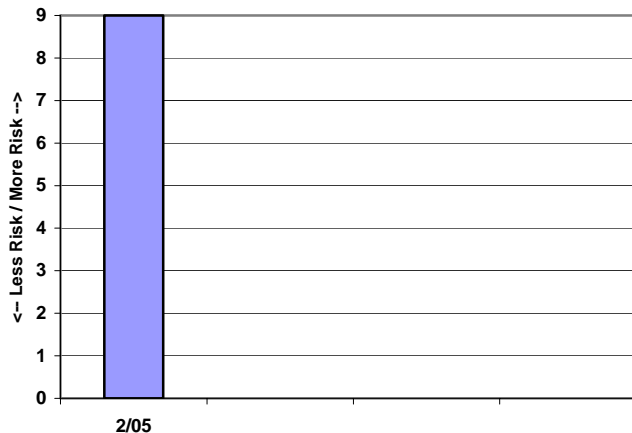
Staff Recommendations: ISB staff has instructed UW to:
1. Not execute a contract amendment or further commit UW Academic Medical Center (UWAMC) contractually to vendors performing work related to ORCA until such time as the ISB has had an opportunity to be briefed by UWAMC and ORCA management regarding this project.
2. Appear at the March 10, 2005 ISB meeting to brief the ISB and answer any questions they may have.
3. Retain ongoing third party quality assurance.

Background Information

In May 2001 the UWAMC submitted an investment plan to the Department of Information Services for authorization to issue a Request for Proposal (RFP) for an application estimated to cost $10.3 million to implement electronic medical records system to allow direct entry of practitioner orders, results review, practitioner documentation, integrated decision support, and health information management. The RFP was for application software, hardware and services. The application would be installed at UW Medical Center and Harborview Medical Center. DIS assessed the project at medium risk and medium severity resulting in a Level 1 assessment under the risk and severity scale in effect at that time. A level 1 assessment allows internal agency oversight. The successful vendor was Cerner Corporation, Kansas City, Missouri.

The investment request cited a first year cost of $1,290,174 and a four-year total of $10,284,870. The investment plan included UWAMC resources without a dollar value identified that would be included in the project. Included are 12 additional IT FTEs for technical activities, ancillary analysis and clinical analysis and 20 other agency staff. These FTE were later valued at $10.8 million. Also incremental maintenance costs for hardware and software were mentioned at $3.2 million. The investment plan should have totaled $24,326,779.

Response to the RFP and the selection of Cerner as the apparently successful vendor brought new information to the situation. The Cerner bid was $16.3 million rather than the estimated $9.9 million, which included the pharmacy module, which was a late add-on. The total maintenance cost (not incremental) was more than doubled to $7.2 million for four years. Site preparation costs for modifications to nurses' stations was added for $1 million. Increased medical center IT staff costs added $2.8 million. Contingency cost was increased by $381,000. These increases raised the cost to $39.0 million. This is the cost approved by the UW Board of Regents in March 2002, but not reported to DIS. During contract negotiations UWAMC effectively changed the scope of the project by deciding to request modifications to the Cerner product and acquire additional modules, thus changing functionality and risk.

The objectives of the ORCA project and the value of an electronic medical record are to:
  Improve patient safety
  Improve patient throughput and reduce resource utilization
  Provide access to patient information across the many departments of hospitals
  Provide options for documenting encounters
  Support quality improvement and research and training mission
  Provide opportunities for cost savings

Issues/Risks:
Budget: The project request was approved for $10.3 million by the Director of DIS. The current budget is $39.0 million was presented to the UW Board of Regents in March 2002. Of the $39 million, $21.1 million are capital costs, $17.9 million are operating costs.

Schedule: After Powerchart (online patient chart) and the Medical Records modules were implemented in September 2003, implementation was slowed due to difficulties with acceptance by the practitioners.

Currently implemented: Medical Records, Document Imaging at Harborview, In-patient Pharmacy pilot at Harborview, Powerchart (partially), and limited Clinical Documentation.

Modules behind original plan: Clinical Documentation, Powerchart/Results Review, In-patient Pharmacy at UW, Orders, Retail Pharmacy, Nursing Documentation, and Document Imaging at UW.

External Quality Assurance: ISB staff has directed the project to initiate ongoing third party quality assurance for the duration of the project. UW administration has initiated a third party project assessment due in April 2005.

Status: The project is behind schedule and is expected to be over budget. The UW Administration is in the process of an independent third party review of the project. The request for any additional contract dollars is on indefinite hold until the analysis is complete and reviewed by the University's Administration. An independent quality assessment report was done by Cap Gemini in June, 2004. Several findings were reported to the Executive Sponsors of the project. It is unclear as to what remedies have been applied to the QA recommendations. The original order of application implementation is being reconsidered.

DIS Team: At the time of this report, a DIS team is being assembled to review project documentation, including project plans, fiscal reports, infrastructure technology, and contracts. Specialists will investigate each of these areas and provide their assessment. Additionally, DIS has asked selected ISB members to form a panel to review the ORCA project prior to the project appearing before the ISB.

IT organizational structure at the University of Washington: The UWAMC IT Services organization is dedicated to providing IT support for administration and operations for UW

Medical Center and Harborview Medical Center. IT Services reports to the Dean and Vice president of Medical affairs as well as hospital administration. UWAMC IT Services is a separate organization under entirely separate management than University of Washington IT Computing and Communications (C&C). C&C supports academic, research, administration and operations for the university and its vice president reports to the Provost and the Executive Vice President. With this separate reporting structure there were limited interactions between the organizations. The University is now implementing steps to resolve this gap and is introducing a single authority to review IT projects.

ISB Risk and Severity Assessment: Since December 2000, ISB Investment Policy has used a risk criteria and severity criteria assessment to determine project approval and oversight levels. The UWAMC ORCA project was approved and administered under the original assessment criteria. The project was assessed against the then current risk and severity criteria as Level 1 – agency oversight.

If UWAMC had reported new costs to DIS, based solely on the new cost, the risk level criteria would have increased to "High," resulting in a Level 2 – ISB staff oversight (medium severity / high risk).

In 2002, after a couple years of experience, the risk and severity criteria were evaluated and revised to more effectively identify project risk and severity and to resolve the concern that some projects were being under-assessed and not receiving the appropriate approval and the most beneficial visibility and oversight. The ORCA project under current assessment is Level 3 – ISB oversight and third party quality assurance (high severity/ high risk).

Oversight Process Changes: In order to provide a improved information and accountability to the ISB on investments and projects which do not require ISB approval, MOSTD staff is implementing the following processes:
- ISB meeting books will contain a report of all IT investments approved by DIS; the first report appears at Section 17 of this book.
- For investments approved by DIS, post-implementation results will be reported, including general indicators such as scope, schedule, budget, and implementation status.